Agenda Date: 10/22/03 Agenda Item: IV B



STATE OF NEW JERSEY

Board of Public Utilities Two Gateway Center Newark, NJ 07102 www.bpu.state.nj.us

		<u>TELECOMMUNICATIONS</u>
IN THE MATTER OF VERIFIED JOINT)	
PETITION OF COLUMBIA VENTURES)	ORDER OF APPROVAL
BROADBAND LLC AND CTC)	
COMMUNICATIONS CORP. D/B/A)	
CT COMMUNICATIONS CORP.)	
FOR GRANT OF THE AUTHORITY)	
NECESSARY TO COMPLETE A)	
TRANSFER OF CONTROL)	
	,	DOCKET NO. TM03080662

(SERVICE LIST ATTACHED)

BY THE BOARD:

On August 19, 2003, Columbia Ventures Broadband LLC (CV Broadband) and CTC Communications Corp. d/b/a/ CT Communications Corp. (CT Communications, together with CV Broadband, Petitioners) filed a petition with the Board of Public Utilities (Board) requesting the approval of a transfer of control. The proposed transfer of control is in connection with CV Broadband's proposed purchase of CT Communications' corporate parent, CTC Communications Group, Inc. (CTC Group). CT Communications and CTC Group are currently operating under the protection of the United States Bankruptcy Code in a case pending before the United States Bankruptcy Court for the District of Delaware. Upon approval, CT Communications will continue to offer services on the same terms, rates and conditions that it currently provides such services in the state.

BACKGROUND

CT Communications is authorized to provide a full range of facilities-based exchange and interexchange telecommunications services in New Jersey by Order of the Board on September 22, 2000. See Order, I/M/O the Petition for Order Authorizing CTC Communications Corp. d/b/a CT Communications Corp. to Provide Local Exchange and Interexchange Telecommunications Services Throughout New Jersey, Docket No. TE99100808. CT Communications is a privately held corporation organized and existing under the laws of the Commonwealth of Massachusetts with principal offices located at 220 Bear Hill Road Waltham, MA 02451-1101. Its parent, CTC Group, is a publicly held Delaware Corporation with principal offices also located at 220 Bear Hill Road Waltham, MA 02451-1101.

CV Broadband is a limited liability company organized and existing under the laws of the State of Washington with offices located at 16703 S.E. McGillivrey Boulevard, Suite 210, Vancouver, Washington. CV Broadband is a wholly owned subsidiary of Columbia Ventures Corporation (CV Corp.), a Washington Corporation which also has offices located at 16703 S.E. McGillivrey

Boulevard, Suite 210, Vancouver, Washington. According to the petition, CV Broadband holds ownership interests in various global telecommunications enterprises through CV Corp., CV Broadband's parent.

Petitioners propose to complete a series of transactions whereby CV Broadband will acquire the common stock of CTC Group, as reorganized pursuant to Chapter 11 of the Bankruptcy Code. According to Petitioners, in order to complete the transactions, CTC Group and CV Broadband, along with its parent Columbia Ventures Corp., have entered into an Investment Agreement dated as of August 6, 2003 (Agreement). The Agreement provides that CTC Group will file and execute a Plan of Reorganization (Plan) whereby the outstanding stock of CTC Group will be cancelled, debts and obligations of CTC Group and CT Communications to existing creditors will be treated and discharged under the Plan and CTC Group will issue new shares of common stock to CV Broadband. Subsequently, upon consummation of the Plan and Agreement, CTC Group and CT Communications will emerge from bankruptcy. CTC Group will become a direct wholly owned subsidiary of CV Broadband and CT Communications will therefore become a wholly owned indirect subsidiary of CV Broadband.

The Petitioners indicate that the proposed transactions would all be completed at the holding company level and would not result in any transfer or assignment of CT Communications' operating authority or customers or result in a name change by CT Communications. CT Communications will continue to conduct its operations in substantially the same manner in which those operations are currently conducted. In addition, most of the senior management that currently oversees CT Communications operations will remain intact. As a result, Petitioners state that the proposed Transactions will be entirely transparent to CT Communications' customers in terms of the services that they receive. Petitioners have indicated that CT Communications has eight employees in New Jersey and that there are no plans to terminate those employees as the result of this transaction.

FINDINGS AND CONCLUSIONS

After a thorough review of the petition and all related documents, the Board is convinced that, with regard to the provision of service, there will be no negative impact on service to New Jersey customers. All services will continue to be provided to the Petitioners' New Jersey customers without interruption and pursuant to the same tariffs, contracts, rates, terms and conditions in existence prior to the proposed transactions. In addition, Petitioners have advised that the transactions are not currently anticipated to have any adverse effect on CT Communications' New Jersey employees.

Accordingly, after careful review of this matter, the Board <u>FINDS</u> that the proposed transactions will have no negative impact on competition, the rates of current customers, or on employees. The Board also <u>FINDS</u> that the proposed transactions will have no negative impact on the provision of safe, adequate and proper service. Therefore, the Board, after investigation, having considered the record and exhibits submitted in this proceeding, <u>FINDS</u> that the proposed transfer of control is in accordance with law and in the public interest. Therefore, the Board <u>HEREBY ORDERS</u> that Petitioners be and are <u>HEREBY AUTHORIZED</u> to transfer control of CT Communications in conformance with the Plan and the Agreement. Petitioners shall notify the Board of the closing of the proposed transactions, promptly upon consummation of the Plan and Agreement.

DATED: 10/23/03

BOARD OF PUBLIC UTILITIES
BY:

(signed)
JEANNE M. FOX
PRESIDENT

(signed)
FREDERICK F. BUTLER
COMMISSIONER

(signed)
CAROL J. MURPHY
COMMISSIONER

(signed)
CONNIE O. HUGHES
COMMISSIONER

(signed)
JACK ALTER
COMMISSIONER

ATTEST:

(signed) KRISTI IZZO SECRETARY